

## **AS PREPARED**

### **“An Asia-Pacific Architecture: An American Perspective”**

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Thank you for inviting me here today. I thank Vice Chancellor Dato Zul for opening up UBD’s beautiful campus for intellectual conversations such as this and I thank Zarni not only for giving me this opportunity today to share thoughts on U.S. foreign policy in Asia and the Pacific, but also for enriching the culture of political discourse through the Institute of Asian Studies Wednesday Seminar Series.

Last fall, U.S. Secretary of State Hillary Clinton declared the 21<sup>st</sup> Century to be the Pacific Century. While the United States has enjoyed diplomatic relations with the Asia Pacific since the founding of our country, our government is indeed placing special emphasis on this region. This afternoon, I would like to share with you America’s perspective on an Asia-Pacific regional architecture modernized to reflect today’s world.

The world has become an interdependent community of nations and the United States welcomes the combined efforts of countries to promote peace and prosperity for fellow human beings. We wish to join forces with visionary leaders who seek fairness, justice, freedom and rule of law for the welfare of all. We do so, because we recognize that American interests are inextricably linked to the fortunes of people everywhere.

A nation’s economy no longer can exist in a bubble, apart from the ebb and flow of global trade. Supply chains link nations together as raw materials gathered in one country are made into parts in a second country and assembled in a third country to be sold to citizens of many different countries. The United States is responding to this modern phenomena by seeking to raise the level of economic prosperity for all through a number of partnerships.

Last fall, Secretary Clinton attended the Asia Pacific Economic Cooperation Women and the Economy Summit. The economies represented at this summit committed themselves to improve women’s access to markets, skills training and business finance. Similarly, programs we arrange for the ASEAN Commission for the Protection and Promotion of the Rights of Women and Children are designed to share the American experience in these areas. We are pleased that Brunei continues to value participation in these fora. While empowering women creates a world that is just and equal for all people, it also makes financial sense. The most effective way to accelerate a nation’s economic productivity and prosperity is to enable women to participate. If we look at the statistics from around the world, if you removed the barriers to

participation in all economies, including in the United States, the productivity of every country would rise. Here in Brunei, I have made it a point to visit women entrepreneurs to learn more about their business activities and the Embassy has even sponsored a Bruneian female entrepreneur for professional development in the United States. People-to-people linkages are the personal connections which build trust among companies and ultimately countries. However, international norms and rules lay the foundation for a code of conduct and assure equal access to markets and fair treatment for businesses regardless of their nationality.

In the years following the conclusion of World War II, the United States and its partners worked together to build a new international order. Institutions, norms, and alliances were established to fulfill on the promises of peace and prosperity to what was then called the Free World. We saw economic integration improve standards of living, because fundamental freedoms were protected under international law. We witnessed long-standing rivals resolve their differences and break their cycle of conflict.

This international infrastructure built during those decades advanced the welfare of citizens around the world. But time is like a river, always flowing on and changing the landscape around us. Today's world is not the same as it was. We must renovate the post-war architecture to reflect today's realities.

As we look towards modernizing this architecture, we must not forget two foundational principles which are as true now as they were sixty years ago. First, a just, open, and sustainable international order is still required to promote global peace and prosperity. And second, while the geometry of global power may have changed, America still plays a crucial role in the international arena.

The United States is proud to be a member of the immense Asia-Pacific region, which spans from the Indian Ocean to the western shores of the Americas. This territory contains half the world's population, emerging economic powers like China, India, and Indonesia, and some of the world's most active trade and energy routes. We are pleased to be investing diplomatically, economically, and militarily to create a strong network of institutions and partnerships.

New actors hold increasing influence in international affairs, and emerging regions, in particular the Asia Pacific, are spurring the direction and development of global politics and economics. The shape of the world's economy, the advance of rule of law and human rights, and our dream of a century more peaceful than the last all depend greatly on what happens right here in this region.

Challenges and opportunities abound and how we approach them will determine if we make our dreams of greater peace a reality. North Korea recently attempted to launch a satellite using ballistic missile technology in violation of UN Security Council resolutions and put

neighboring countries and the region at risk. It was only weeks earlier that North Korea had agreed to a moratorium on nuclear and missile testing. The disparity between commitments and actions casts doubts on North Korea's stated desire to improve relations with the United States and neighboring countries. North Korea is clearly choosing provocation over peace; choosing isolation over integration into the international community. The United States, working in conjunction with the United Nations, has worked diligently to let North Koreans know that true security will only come from living up to commitments and obligations. We will continue to work to ensure the stability of the Korean Peninsula and safeguard the lives of citizens living there.

Yet at the same time, the most recent developments in Burma demonstrate unprecedented opportunities for economic and political progress. Over the past year, Burma has chosen to walk down an historic new path toward rule of law and economic development. The United States has pursued a policy of engagement to support human rights and reform in Burma. We understood the challenges, but remained steadfast in our belief that a new approach was necessary to support the aspirations of the people. The April 1<sup>st</sup> parliamentary by-elections were a momentous step forward, a trajectory of progress which has included release of political prisoners, extending rights of political and civic association, and a nascent dialogue between the government and ethnic minority groups.

We recognize that this reform process still has a long way to go. The future is neither clear nor certain. But as Burma builds a more hopeful future filled with new opportunities, the United States will continue to engage with the Burmese. We will continue to strengthen mutual understanding and trust between our two nations and peoples. We anticipate with pleasure opportunities to deepen cooperation on a variety of issues that promote rule of law and national reconciliation, from increasing access to education to expanding health care and encouraging a lively civil society.

Clearly, the evolving political situations with both North Korea and Burma illustrate America's deep interest in Asia and the Pacific. Please let me be clear, however, that we are not turning away from our allies and interests in other parts of the world. Our relationships with European and NATO friends remain essential. We will coordinate the strengthening of our engagement in the Asia Pacific region with them.

As Secretary Clinton has so clearly stated, "just as we are not losing old friends, we are not seeking new enemies." China's rise in international politics is an opportunity to be embraced. It's hard to imagine that a scant thirty-five years ago, the United States and China had few ties. Today, our two nations are thoroughly interdependent. Our economies are defined by the ever increasing commercial and financial exchanges between our countries. Ongoing consultations between our governments are burgeoning as well as the connections between every day people. Our inter-connectivity requires adjustments in thinking and approaches on both sides. Modern geopolitics cannot operate as a zero-sum game. When China flourishes, America benefits; when America flourishes, China benefits - as long as we both flourish in a way that

contributes to the regional and global good. Yes, we must succeed in building an effective U.S.-China relationship if we wish to see a peaceful, prosperous Asia Pacific.

Therefore, we dream of working cooperatively in building robust and effective institutions. These institutions will spur common action and settle disputes peacefully. We wish to work toward rules and norms that help manage relations between peoples, markets, and nations, and establish security arrangements that provide stability and build trust.

I am well aware that some in Asia fear a robust American presence. However, let me assure you that we are not seeking to limit rising powers their fair share of influence. Rather, we are recognizing that regional and international architecture cannot remain static. We must work together to update rules and institutions designed for an earlier age, that no longer fit today's political environment.

As we move to adapt or even create new institutions, we must be mindful of universal principles. We must recognize the dignity of all human beings and the fundamental freedoms they deserve. Our economic systems must be open, free, transparent, and fair. Disputes should be resolved peacefully. The territorial integrity of states must be respected. These norms benefit everyone. In adhering to them, we help all people and nations live and trade in peace. China and other emerging powers such as India and Indonesia grew strong under the international system based on these principles. They and other nations benefited from the security it offers, the markets it develops, and the trust it promotes. It is no surprise, then, that they have a real stake in the success of that system. As their influence grows and their ability to contribute increases, the world's expectations of them will rise as well.

Yet, some of today's emerging powers in Asia and elsewhere want to pick and choose when to participate constructively in the international system and when to hold themselves separate. Perhaps this approach may offer short term gains, but ultimately this practice will pull apart the very system that has helped them get to where they are today. Weakening the international system can only lead to the impoverishment of everyone.

I can confidently make such strong assertions about the value of the international system, because history bears out its worth. A strong regional architecture offers incentives for cooperation. It deters provocation and problematic behaviors. But this kind of architecture does not come into being through chance. It requires dedication, consistent effort, and strong partnerships. And that is the foundation of American strategy in the Asia Pacific. All of our actions – diplomatic, economic, and military – are designed to advance this goal. I would like to hold up the East Asia Summit, the Transpacific Partnership, and U.S. Navy engagement as three examples of America's strategy.

First, President Obama, along with His Majesty the Sultan, attended the East Asia Summit last fall. The East Asia Summit gathers together heads of state of sixteen nations in the

region. Together they tackle the biggest challenges and work cooperatively towards comprehensive solutions. Issues range from nonproliferation, to disaster response, to maritime security. President Obama was the first U.S. president to have ever attended the summit. His participation is the culmination of three years of intensive engagement with institutions like ASEAN, the Association of South East Asian Nations, and APEC, the Asia Pacific Economic Cooperation. Furthermore, his presence reflected America's support for the East Asia Summit as the region's leading forum for discussing political and security issues.

The value of the East Asia Summit as a regional institution can be clearly seen. President Obama, His Majesty the Sultan, and other fellow leaders used the summit to work cooperatively to address one of the region's most sticky issues: the South China Sea. Brunei and many other nations have competing claims on its waters and islands. Half of the world's commercial trade flows through the South China Sea, which means many countries depend upon maritime security and freedom of navigation for their livelihood and well-being. Let me be clear that the United States has no territorial claims in the South China Sea, and we do not take sides in territorial disputes. However, we have always been a seafaring nation. Our interest lies in respecting international law and promoting the peaceful resolution of disputes surrounding rights of navigation.

Without a regional architecture, each country would have been left to settle this complex dispute bilaterally. A profusion of agreements would have resulted, making a complex situation even more confusing and potentially prime for confrontation. There were simply too many overlapping claims, and some countries' concerns were being given more attention while others' were not receiving enough. But President Obama, His Majesty the Sultan and other leaders at the East Asia Summit made significant strides in supporting a region-wide effort to protect free access to the South China Sea. Furthermore, they took important steps toward developing a code of conduct, which respects the legitimate interests of all claimants to ensure that disputes are settled through a consensual process based on established principles of international law.

In cases such as this, Brunei and smaller countries benefit as their concerns are addressed and their stances are listened to. At the same time, larger countries are still able to pursue solutions to complex challenges. That's what a truly useful architecture provides.

One of the most tangible signs of U.S. support for regional architecture is our new Mission to ASEAN. We have signed a Treaty of Amity and Cooperation and established a permanent presence in Jakarta. In 2009, we appointed our first Ambassador to ASEAN and last year, we appointed one who lives year-round in Indonesia. Last week, U.S. Ambassador to ASEAN David Carden visited Brunei to learn more about your country's preparations for assuming the chair of ASEAN in 2013. While Brunei will unveil its plans in due time, we applaud their commitment to a unified ASEAN.

Let me turn now to my second example of America's perspective on an Asia-Pacific regional architecture. The Trans-Pacific Partnership is a new far-reaching trade agreement,

which, if brought to fruition, will bring prosperity for Bruneians, Americans, and other Asia-Pacific nations. Nine countries are negotiating an abolishment of trade barriers and agreeing to rules in order to create an integrated Pacific economy. TPP, as it's called, will establish open, free, transparent, and fair markets. Workers, the environment, intellectual property and innovation will all be protected. As a result, small-and-medium sized businesses will enjoy more trade opportunities, enriching the lives of the average citizen. Transparent rules and fair competition will help level the playing field for all countries and companies, giving everyone an opportunity to join in a shared prosperity.

Regional institutions must also operate in the security arena. Military-to-military cooperation saves lives and builds trust. These regional security partnerships allow countries to respond more quickly and efficiently when needed, such as joint efforts to respond to natural disasters. Everyone recalls the tense situation following the earthquake, tsunami, and nuclear crisis in Japan last year. The U.S. Navy's 7<sup>th</sup> Fleet and Japan's Maritime Self-Defense Force worked hand in hand to deliver desperately needed food and medical supplies, conduct search and rescue missions to save lives, and evacuate the injured. The story behind the story, however, is that the United States and Japan had developed a close partnership over many decades, and this was the foundation to the success of that humanitarian mission.

We are maximizing our ability to participate in these kinds of efforts all over the Asia Pacific. U.S. Marines are being sent to Australia for joint training. We are deploying modern ships through Singapore. We are updating our basing arrangements with allies in Northeast Asia. U.S. Secretary of the Navy Ray Mabus visited Bandar Seri Begawan a few weeks ago. His discussions with HM the Sultan and HRH the Crown Prince underscored the value of military cooperation. Here in Brunei we are seeking to expand joint training called Cooperation Afloat and Readiness Training, otherwise known as CARAT, to include a land component. At the Brunei government's request, this year we are welcoming members of the Royal Brunei Armed Forces at the United States' prestigious military academies. We will continue to participate in BRIDEX in 2013 and anticipate sending at least one U.S. Navy ship.

We're also working diligently to forge a durable military-to-military relationship with China, so essential in reducing the risk of miscalculation or miscues between our two militaries. I am heartened by the Chinese and U.S. navies' cooperation in combating piracy off the Horn of Africa. However, more can be done. We also seek to strengthen the newly established Strategic Security Dialogue, which brings American and Chinese military and civilian leaders to the table to discuss sensitive issues like maritime security and cyber security.

The United States occupies a unique role on the global stage. We use our abilities to bring disparate countries and people together around common goals. We set our goals high, seeking partners who are, like us, committed to fairness, justice, freedom and rule of law. We

humbly acknowledge our record is not perfect, but the United States consistently over history seeks to advance not just our own good, but the greater good.

It is under this aegis that we encourage a renovation of the Asia Pacific regional architecture. We offer our diplomatic, economic and security resources in partnership with Brunei and other nations in the region to establish institutions and norms that will stimulate prosperity and stability for all to enjoy.

It's been a privilege today to share America's foreign policy and perspective on a regional architecture. I thank each and every one of you for coming today and will be happy to take your questions.